



1st Quarter of Fiscal 2005

Supplementary Materials

HOGY MEDICAL Co., Ltd.

July 15, 2005

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(Notes Concerning Forward-Looking Statements)

Projections throughout these materials are provided as a reference for investors. They are based on estimates and forecasts, and shall not be regarded as pledges or guarantees. They shall be used on the full acknowledgment that actual results may naturally

Fiscal 2005 Statements of Income (Actual and Forecast, Consolidated)

First Quarter

¥ millions, rounded down

	June 2005 1st Quarter Results		June 2004 1st Quarter Results		Year-on-Year Comparison		June 2005 1st Quarter Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	6,429	100.0	6,072	100.0	357	105.9	6,172	100.0	257	104.2
Cost of Sales	3,088	48.0	3,014	49.7	73	102.5	3,009	48.8	78	102.6
Gross profit	3,341	52.0	3,057	50.3	283	109.3	3,162	51.2	178	105.7
SG&A expenses	1,805	28.1	1,712	28.2	92	105.4	1,835	29.7	-29	98.4
Operating income	1,535	23.9	1,344	22.1	191	114.2	1,326	21.5	208	115.7
Other income	61		127		-66		8		52	
Other expenses	1		1		-0		5		-3	
Ordinary income	1,595	24.8	1,470	24.2	124	108.5	1,329	21.5	265	120.0
Extraordinary income	2		205		-203		-		2	
Extraordinary expenses	2		2		0		-		2	
Income before income taxes and minority interests	1,594	24.8	1,673	27.6	-79	95.3	1,329	21.5	264	119.9
Corporation tax, etc.	611		643		-32		508		102	
(Tax burden)	38.3%		38.5%				38.3%			
Minority interests	0		0		-0		0		-0	
Net income	982	15.3	1,029	17.0	-46	95.4	820	13.3	162	119.8
EPS (total shares)	60.14		63.01				50.22			
EPS (minus treasury shares)	63.15		66.15				52.73			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,563,442		15,564,942				15,563,643			

Second Quarter

¥ millions, rounded down

	Sept. 2005 Plan		Sept. 2004 Results		Year-on-Year Comparison		Sept. 2005 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	6,363	100.0	6,271	100.0	91	101.5	6,620	100.0	-257	96.1
Cost of Sales	3,170	49.8	3,028	48.3	142	104.7	3,249	49.1	-78	97.6
Gross profit	3,192	50.2	3,243	51.7	-51	98.4	3,371	50.9	-178	94.7
SG&A expenses	1,890	29.7	1,769	28.2	121	106.9	1,860	28.1	29	101.6
Operating income	1,301	20.4	1,473	23.5	-172	88.3	1,510	22.8	-208	86.2
Other income	-46		44		-91		6		-52	
Other expenses	9		3		5		6		3	
Ordinary income	1,244	19.6	1,514	23.3	-269	82.2	1,510	22.8	-265	82.4
Extraordinary income	-2		-		-2		-		-2	
Extraordinary expenses	22		0		21		25		-2	
Income before income taxes and minority interests	1,220	19.2	1,513	23.3	-293	80.6	1,485	22.4	-264	82.2
Corporation tax, etc.	466		623		-157		568		-102	
(Tax burden)	38.2%		41.2%				38.3%			
Minority interests	0		0		0		0		0	
Net income	754	11.9	890	14.2	-136	84.7	916	13.8	-162	82.3

First Half

¥ millions, rounded down

	Sept. 2005 Interim Plan		Sept. 2004 Interim Results		Year-on-Year Comparison		Sept. 2005 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	12,792	100.0	12,343	100.0	449	103.6	12,792	100.0	0	-
Cost of Sales	6,259	48.9	6,042	49.0	216	103.6	6,259	48.9	0	-
Gross profit	6,533	51.1	6,300	51.0	232	103.7	6,533	51.1	0	-
SG&A expenses	3,696	28.9	3,482	28.2	214	106.1	3,696	28.9	0	-
Operating income	2,836	22.2	2,818	22.8	18	100.7	2,836	22.2	0	-
Other income	14		172		-157		14		0	
Other expenses	11		5		5		11		0	
Ordinary income	2,839	22.2	2,984	24.2	-145	95.1	2,839	22.2	0	-
Extraordinary income	-		205		-205		-		0	
Extraordinary expenses	25		2		22		25		0	
Income before income taxes and minority interests	2,814	22.0	3,187	25.8	-372	88.3	2,814	22.0	0	-
Corporation tax, etc.	1,077		1,266		-189		1,077		0	
(Tax burden)	38.3%		39.7%				38.3%			
Minority interests	0		0		-0		0		0	
Net income	1,736	13.6	1,920	15.5	-183	90.5	1,736	13.6	0	-
EPS (total shares)	106.29		117.50				106.29			
EPS (minus treasury shares)	111.60 ※		123.36				111.60			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,563,256 ※		15,564,742				15,563,643			

※ESP (forecast) is based on number of shares (excluding treasury stock) outstanding as of June 30, 2005

Fiscal 2005 Sales Results and Plan by Product Line (Consolidated)

First Quarter

¥ millions, rounded down

	June 2005 1st Quarter Results		June 2004 1st Quarter Results		Year-on-Year Comparison		June 2005 First Quarter Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	972	15.1%	1,023	16.9%	-51	95.0%	944	15.3%	28	103.0%
Surgical products	5,171	80.4%	4,749	78.2%	422	108.9%	4,958	80.3%	213	104.3%
Treatment products	87	1.4%	103	1.7%	-15	85.1%	84	1.4%	3	103.6%
Nursing care and welfare products	20	0.3%	23	0.4%	-2	87.6%	21	0.3%	0	98.2%
Others	176	2.7%	172	2.8%	4	102.5%	164	2.7%	12	107.8%
Total	6,429	100.0%	6,072	100.0%	357	105.9%	6,172	100.0%	257	104.2%

Itemized surgical products

Sontara	2,698	42.0%	2,706	44.6%	-7	99.7%	2,704	43.8%	-6	99.8%
Other non-woven products	342	5.3%	339	5.6%	2	100.7%	340	5.5%	1	100.4%
Kit products	2,106	32.8%	1,677	27.6%	428	125.5%	1,890	30.6%	215	111.4%
Steel instruments	25	0.4%	25	0.4%	0	99.4%	22	0.4%	3	114.6%

Itemized external sales by subsidiary

Sontara	7		6		-					
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Second Quarter

¥ millions, rounded down

	Sept. 2005 Plan		Sept. 2004 Results		Year-on-Year Comparison		Sept. 2005 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	930	14.6%	990	15.8%	-60	93.9%	958	14.5%	-28	97.0%
Surgical products	5,172	81.3%	4,984	79.5%	187	103.8%	5,386	81.4%	-213	96.0%
Treatment products	79	1.2%	91	1.5%	-12	86.4%	82	1.2%	-3	96.3%
Nursing care and welfare products	21	0.3%	23	0.4%	-2	90.8%	20	0.3%	0	101.9%
Others	159	2.5%	181	2.9%	-21	88.3%	172	2.6%	-12	92.6%
Total	6,363	100.0%	6,271	100.0%	91	101.5%	6,620	100.0%	-257	96.1%

Itemized surgical products

Sontara	2,765	43.5%	2,774	44.2%	-8	99.7%	2,759	41.7%	6	100.2%
Other non-woven products	334	5.3%	333	5.3%	1	100.4%	335	5.1%	-1	99.6%
Kit products	2,054	32.3%	1,851	29.5%	203	111.0%	2,270	34.3%	-215	90.5%
Steel instruments	17	0.3%	26	0.4%	-8	67.7%	20	0.3%	-3	84.5%

Itemized external sales by subsidiary

Sontara	-7		11		0					
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First Half

¥ millions, rounded down

	Sept. 2005 Interim Plan		Sept. 2004 Interim Results		Year-on-Year Comparison		Sept. 2005 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,902	14.9%	2,014	16.3%	-111	94.5%	1,902	14.9%	0	-
Surgical products	10,344	80.9%	9,733	78.9%	610	106.3%	10,344	80.9%	0	-
Treatment products	167	1.3%	194	1.6%	-27	85.7%	167	1.3%	0	-
Nursing care and welfare products	41	0.3%	47	0.4%	-5	89.2%	41	0.3%	0	-
Others	336	2.6%	353	2.9%	-16	95.2%	336	2.6%	0	-
Total	12,792	100.0%	12,343	100.0%	449	103.6%	12,792	100.0%	0	-

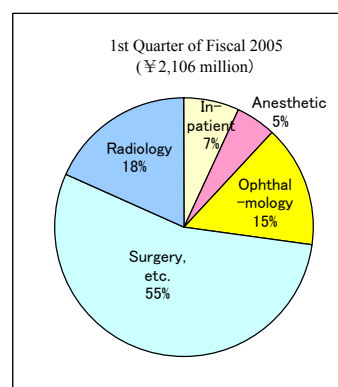
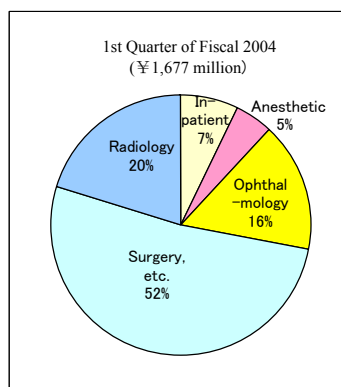
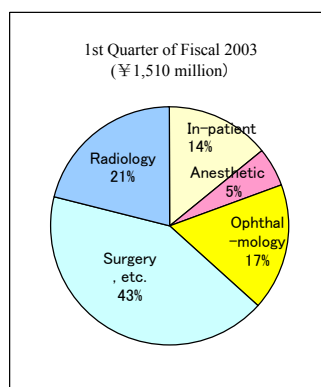
Itemized surgical products

Sontara	5,463	42.7%	5,480	44.4%	-16	99.7%	5,463	42.7%	0	-
Other non-woven products	676	5.3%	672	5.5%	3	100.6%	676	5.3%	0	-
Kit products	4,160	32.5%	3,528	28.6%	632	117.9%	4,160	32.5%	0	-
Steel instruments	43	0.3%	51	0.4%	-8	83.4%	43	0.3%	0	-

Itemized external sales by subsidiary

Sontara	-		18		-					
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Sales Composition by Kit Treatment Category



SG&A and Other Income / Expenses (Actual and Forecast, Consolidated)

SG&A Expenses

¥ millions, rounded down

	June 2005 1st Quarter Results	June 2004 1st Quarter Results	Year-on-Year Comparison	June 2005 1st Quarter Initial Plan	Initial Plan Comparison
Packaging and transportation	162	156	6	157	5
Losses on doubtful accounts	-	-	0	4	-4
Samples	131	138	-6	144	-12
Advertising	13	8	5	15	-2
Personnel	845	734	111	830	15
Travel	88	78	9	89	-1
Communication	33	32	1	26	6
Consumables	21	24	-2	24	-2
Taxes and public charges	46	49	-2	47	-0
Depreciation	137	144	-6	137	0
Testing and research	61	43	18	84	-22
Land and housing rent	104	104	0	106	-1
Miscellaneous	63	106	-43	71	-7
Others	93	91	2	94	-0
Total	1,805	1,712	92	1,835	-29

Other Income/Expenses

¥ millions, rounded down

	June 2005 1st Quarter Results	June 2004 1st Quarter Results	Year-on-Year Comparison	June 2005 1st Quarter Initial Plan	June 2005 1st Quarter Results
Interest received	2	0	1	2	0
Interest on negotiable securities	5	1	3	0	4
Dividend received	0	0	-0	0	0
(Total financial earnings)	7	3	4	3	4
Foreign exchange gain	41	116	-75	-	41
Miscellaneous income	11	8	3	4	7
Total Other income	61	127	-66	8	52
Paid interest	-	-	0	-	0
(Total financial expenses)	-	-	0	-	0
Miscellaneous losses	1	1	-0	5	-3
Total non-operating expenses	1	1	-0	5	-3

Major Changes on Balance Sheets / Statements of Cash Flows (Consolidated)

Major Changes on Balance Sheets

¥ millions, rounded down

	Balance at June 30, 2005	Change		Balance at June 30, 2005	Change
Current assets	29,089	-362	Current liabilities	15,356	-168
Cash and bank deposits	9,496	-815	Notes and accounts payable	3,022	109
Notes and accounts receivable	7,834	488	Accrued expenses	260	-161
Short-term investments	5,705	30	Convertible bonds due within 1 year	10,000	0
Inventories	5,423	-108	Income taxes	603	-612
Others	628	43	Allowance for employees' bonuses	136	-212
			Payable notes for equipment	267	236
			Others	1,066	472
Fixed assets	32,182	792	Long-term liabilities	1,363	-7
Property, plant and equipment	29,826	874	Convertible bonds	-	0
Buildings and structures	13,587	-199	Others	1,363	-7
Machinery, equipment and vehicles	4,574	-170	Total liabilities	16,719	-175
Land	7,409	6	Minority interests	11	0
Construction in progress	3,847	1,257	Shareholders' equity	44,540	605
Others	406	-19	Common stock	7,123	0
Intangibles	197	-8	Capital surplus	8,336	0
Investments and others	2,158	-73	Retained earnings	33,822	542
Investments securities	266	-102	Treasury stock	-4,592	-1
Others	1,892	29	Others	-148	65
			Total liabilities, minority interests, and shareholders' equity	61,271	430
Total assets	61,271	430			

* Comparison with end of previous fiscal year

* Equity ratio increased from 72.2% at the end of the previous fiscal year to 72.7%.

Comments on change in central items

Cash and bank deposits
Notes and accounts receivable

Income taxes paid, Opera Master production line, other:
Increase in net sales

Accrued income tax, etc
Other current liabilities

Payment of defined portion
Accrued expenses related to employees' bonus

Construction in progress
Investments securities

Opera Master production line, other:
Sale

Retained earnings

Net profit

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	836	Income before income taxes and minority interests	1,594
		Depreciation	520
		Increase in notes and accounts receivable	-481
		Income taxes paid	-1,150
II Investing activities	-1,333	Sales of investments securities	102
		Capital expenditures	-1,365
III Financing activities	-375	Cash dividends paid	-373
IV Effect of exchange rate changes	56		
Net changes in cash and cash equivalents	-816		

Fiscal 2005 Statements of Income (Actual and Forecast, Non-Consolidated)

First Quarter

¥ millions, rounded down

	June 2005 1st Quarter Results		June 2004 1st Quarter Results		Year-on-Year Comparison		June 2005 1st Quarter Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	6,422	100.0	6,065	100.0	356	105.9	6,172	100.0	250	104.1
Cost of Sales	3,182	49.5	3,095	51.0	87	102.8	3,108	50.4	73	102.4
Gross profit	3,240	50.5	2,970	49.0	269	109.1	3,063	49.6	176	105.8
SG&A expenses	1,805	28.1	1,712	28.2	92	105.4	1,835	29.7	-29	98.4
Operating income	1,434	22.3	1,257	20.7	176	114.0	1,228	19.9	206	116.8
Other income	59		128		-69		5		54	
Other expenses	1		1		0		3		-2	
Ordinary income	1,492	23.2	1,384	22.8	107	107.8	1,229	19.9	263	121.4
Extraordinary income	2		-		-203		-		205	
Extraordinary expenses	2		-		0		-		2	
Income before income taxes and minority interests	1,491	23.2	1,587	26.2	-96	94.0	1,229	19.9	262	121.3
Corporation tax, etc.	580		618		-38		478		102	
(Tax burden)	38.9%		38.9%				38.9%			
Net income	911	14.2	969	16.0	-57	94.1	751	12.2	160	121.4
EPS (total shares)	55.80		59.32				45.98			
EPS (minus treasury shares)	58.58		62.28				48.28			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,563,442		15,564,942				15,563,643			

Second Quarter

¥ millions, rounded down

	Sept. 2005 Plan		Sept. 2004 Results		Year-on-Year Comparison		Sept. 2005 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	6,370	100.0	6,259	100.0	110	101.8	6,620	100.0	-250	96.2
Cost of Sales	3,281	51.5	3,127	50.0	154	104.9	3,355	50.7	-73	97.8
Gross profit	3,088	48.5	3,131	50.0	-43	98.6	3,265	49.3	-176	94.6
SG&A expenses	1,890	28.2	1,769	28.3	121	106.9	1,860	28.1	29	101.6
Operating income	1,197	18.8	1,362	21.8	-164	87.9	1,404	21.2	-206	85.3
Other income	-49		44		-93		4		-54	
Other expenses	8		3		4		6		2	
Ordinary income	1,139	17.9	1,402	22.4	-262	81.3	1,402	21.2	-263	81.3
Extraordinary income	-2		-		-2		-		-2	
Extraordinary expenses	22		0		21		25		-2	
Income before income taxes and minority interests	1,115	17.5	1,402	22.4	-286	79.5	1,377	20.8	-262	81.0
Corporation tax, etc.	433		587		-153		535		-102	
(Tax burden)	38.9%		41.9%				38.9%			
Net income	681	10.7	814	13.0	-132	83.7	842	12.7	-160	80.9

First Half

¥ millions, rounded down

	Sept. 2005 Interim Plan		Sept. 2004 Interim Results		Year-on-Year Comparison		Sept. 2005 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	12,792	100.0	12,325	100.0	467	103.8	12,792	100.0	0	-
Cost of Sales	6,463	50.5	6,222	50.5	241	103.9	6,463	50.5	0	-
Gross profit	6,328	49.5	6,102	49.5	226	103.7	6,328	49.5	0	-
SG&A expenses	3,696	28.9	3,482	28.2	214	106.1	3,696	28.9	0	-
Operating income	2,632	20.6	2,620	21.3	11	100.5	2,632	20.6	0	-
Other income	10		172		-162		10		0	
Other expenses	10		5		4		10		0	
Ordinary income	2,632	20.6	2,787	22.6	-155	94.4	2,632	20.6	0	-
Extraordinary income	-		205		-205		-		0	
Extraordinary expenses	25		2		22		25		0	
Income before income taxes and minority interests	2,607	20.4	2,990	24.3	-382	87.2	2,607	20.4	0	-
Corporation tax, etc.	1,013		1,206		-192		1,013		0	
(Tax burden)	38.9%		40.3%				38.9%			
Net income	1,593	12.5	1,783	14.5	-190	89.3	1,593	12.5	0	-
EPS (total shares)	97.51		109.17				97.51			
EPS (minus treasury shares)	102.39 ※		114.61				102.39			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,563,256 ※		15,564,742				15,563,643			

※ESP(forecast) is based on number of shares (excluding treasury stock) outstanding as of June 30, 2005